BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matters of	)	
	)	CC Docket No. 98-147
Deployment of Wireline Services	)	
Offering Advanced Telecommunications	)	
Capability	)	

COMMENTS OF THE OKLAHOMA CORPORATION COMMISSION

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I. Introduction and Summary

In the above-captioned matter, the Federal Communications Commission ("FCC") seeks comment on issues regarding the deployment of advanced wireline services and the effect same would have on local competition. The Oklahoma Corporation Commission ("OCC") supports the FCC's efforts in addressing those issues that will promote competition in the local exchange market, as well as promote the deployment of advanced technologies in telecommunications, and believes that proper management of advanced technologies will stimulate innovation and competition.

The OCC hereby respectfully submits these comments in response to the above-captioned Further Notice of Proposed Rulemaking ("Further NPRM") regarding the development of long-term standards and practices for spectrum compatibility and management. The OCC believes that a standards body should be commissioned to establish competitively neutral spectrum compatibility and spectrum management standards and policies. Such standards and policies would advise all carriers of which technologies are deployable thereby allowing them to design their respective networks and business strategies accordingly. The OCC further believes that state commissions should be allowed to implement their own individual Quality of Service Standards and/or Codes of Conduct to govern spectrum management issues, and that state commissions should be the arbitrator of disputes arising from both federal and state spectrum management standards and rules. Finally, the OCC concurs with the FCC's tentative conclusion that power spectral density (PSD) masks are an economic and technically feasible method to define the limits on signal power densities across a range of frequencies so as to minimize interference between different wireline technologies.

In addition, the OCC respectfully submits these comments on the Further NPRM regarding the issue of whether LECs should be required to allow competitors to offer advanced services to end users over the same line on which the LEC is offering voice service. The OCC believes that line sharing is technically feasible, and that LECs should be required to allow competitors to offer advanced services to end users over the same line on which the LEC is offering voice service. Though there exist operational barriers to line sharing, such as the coordination and management of maintenance, repair, and billing systems, that must be addressed before prior to implementation, the OCC believes that line sharing in general has the potential to bring to residential markets the benefits of high-speed data service already enjoyed by business markets. Finally, the OCC again believes that state commissions should be allowed to implement their own individual Quality of Service Standards and/or Codes of Conduct to govern line sharing issues, and that state commissions should be the arbitrator of disputes arising from both federal and state line sharing standards and rules.

II. DISCUSSION

A. SPECTRUM COMPATIBILITY

1. Management Issues

In its Further NPRM, the FCC sought comment on several topics relating to the establishment of a standards body that will develop spectrum compatibility and management policies. Generally, the OCC supports the FCC's proposal because it is the OCC's opinion that spectrum compatibility standards will stimulate innovation in the telecommunications industry and result in an increase in the variety of advanced services,

technology and equipment available to consumers. Currently, deployment of new services may be inhibited by incumbent local exchange carriers due to real or perceived network incompatibilities. A uniform set of technical standards will restrict the ability of incumbent LECs to halt the deployment of competitive advanced services with the claim that such services will interfere with the network.

Competitors can tailor new telecommunications services to meet network standards during the development phase, and have some assurance that the new service will be deployed by the incumbent. Competitors will be more likely to invest in the development of new and innovative advanced services when they have confidence that the service will be deployed and a return on their investment will be realized. Thus, the establishment of spectrum compatibility standards is a critical step in opening the telecommunications market to competition and the widespread deployment of advanced services to all consumers.

In its Further NPRM, the FCC sought comment on several topics relating to the establishment of a standards and practices body that will develop spectrum compatibility and management policies. *Inter alia*, the FCC sought comment on two tentative conclusions: 1) that the long-term standards and practices body should include the active participation of the incumbent LECs, competitive LECs, equipment suppliers, and the FCC; and 2) that the process should be competitively neutral in both structure and procedure, representation should be equitably spread over all segments of the industry, and representatives should have equal authority, with no party or groups of parties presuming to have greater weight or "veto" power. The OCC supports these tentative conclusions and believes they are fair and equitable to all interested parties. However,

the OCC suggests that the FCC take a stronger leadership role in the proposed standards body than suggested by the Further NPRM, in order to ensure that the representatives participating in the standards body have equal authority, with no party presuming to have greater weight or "veto" power.

Each participant in the standards body will be motivated by its own commercial interests. The FCC is uniquely suited to give the average consumer a much-needed voice in the development of spectrum compatibility standards and ensure that all consumers will benefit from the resulting deployment of advanced services. For example, the standards body may move for disparate treatment of short and long local loops permitting the deployment of some advanced services on shorter loops that would be unavailable on longer loops. While there may be some valid technical reasons for such disparate treatment, it would permit large business concerns on short loops to obtain advanced services that small businesses and individual consumers on long loops would be unable to access. Innovation and new service offerings would cater to the more profitable large business market leaving the individual consumer without the full benefit of advanced services. The OCC believes that all consumers should have equal access to advanced services therefore, the FCC should have greater weight or "veto" power over the industry representatives because the FCC will protect all consumers without bias and, at the same time, balance the competing interests of industry.

In assembling the spectrum management standards body, the OCC suggests that the FCC begin with those parties who have the experience of having participated in similar standards bodies in the past. The OCC also suggests that the standards body impaneled be required to implement a time schedule and/or set of deadlines for the

completion of its work. More specifically, the OCC recommends the use of definite phases in the process in order to achieve the maximum results in the minimum amount of time. For example, Phase One would be the infrastructure phase and would be used to determine, *inter alia*, what kind of elements/switches will work with the deployment of advanced wireline technologies. Phase Two would be the deployment phase, wherein the Standards Body would determine issues such as the length of time incumbent LECs should be allotted to install the equipment previously deemed deployable. Finally, Phase Three would be the implementation phase which would entail the implementation of the Standards Body's resulting standards and policies. Each Phase of the process should be limited to a maximum of one year. A definite schedule would prohibit delay from self-serving interests that would like to avoid the implementation of spectrum compatibility standards. It would also allow innovators and competitors to institute their plans for developing and introducing new advanced services with more confidence.

Finally, the OCC recommends that the American National Standards Institute ("ANSI") review and implement the standards developed by the spectrum management standards body, and further, continue to monitor the subject of spectrum management to ensure that said standards remain current and effective.

2. Standards Issues

The Further NPRM seeks comment on the use of particular methods to enable multiple technologies to coexist within binder groups. Specifically, the FCC seeks comment on whether: 1) generic masks would be an appropriate means to address spectrum compatibility; 2) whether this approach might restrict deployment of technologies that otherwise would not harm the network; 3) whether a calculation-based

approach, in addition to a power spectral density mask-based approach, provides a better tool for defining spectral compatibility; and 4) whether such an approach provides a more accurate predicator of spectrum compatibility.

Generally, the use of PSD masks appears to be a workable, cost-effective and competitively neutral solution to the problem of spectrum compatibility. While other solutions are available, such as conversion to fiber or line shielding technologies, such alternative solutions likely would be cost-prohibitive. Therefore, PSD masks appear the best available means known to date to address spectrum compatibility issues.

The OCC does not believe that the establishment of PSD masks would restrict the development of new technologies. To the contrary, the OCC believes that definite spectrum compatibility standards, whether PSD masks or something else, will encourage investment into new technologies, innovation, and the eventual widespread deployment of many new services. This conclusion is based on the assumption that investors will be more willing to develop new technologies if they have some assurance that the incumbent LECs cannot block deployment due to real or perceived network incompatibilities. Investment will breed innovation. Innovation will breed the deployment of new technologies that will benefit all consumers. The cornerstone of this cycle is the guarantee that an incumbent LEC will deploy any new service or product that complies with the generic spectrum compatibility standard.

The OCC will refrain from commenting on the use of PSD masks alone or in combination with a calculation-based approach, as it feels that the standards body is best suited to resolve this problem because members will know the capabilities of their own equipment and technology. The OCC does suggest that the FCC allow the standards

body the flexibility to adopt the approach that it determines best promotes competition in the local exchange market and the deployment of advanced wireline technologies.

3. Effect on Competition

On the issue of spectrum compatibility, the OCC concurs with the FCC that the development of spectrum compatibility standards should help minimize crosstalk which could result in the degradation of the intended signal. One method of ensuring spectrum compatibility is through the use of power spectral density (PSD) masks. To the extent that other methods or devices, such as line shielding, do not impose an undue burden on either party, spectrum compatibility standards should allow for a multitude of options.

As to whether carriers should be required to replace current technologies (i.e., AMI T1) with new and less interfering technologies, it is the OCC's position that this requirement is not necessary, in and of itself, provided the resulting interference can be eliminated without causing an undue burden to either party. Furthermore, as current technologies become obsolete, they will eventually be replaced with new and more advanced technologies. In the event that the FCC decides to impose such requirement, the incumbent LECs must be allowed the time and opportunity to recoup their investment cost. The OCC would suggest a period of three to five years.

It is the OCC's position that rules, if any, for grandfathering of current technologies should be at the discretion of state commissions, provided such rules do not interfere with the provisions of the Federal Telecommunications Act of 1996 ("Act").[1] Considering that the status and nature of technology deployment varies among states, the OCC believes that individual states are better suited to assess the necessary processes and timeframes for grandfathering current technologies.

4. State Commission Authority

Section 706 of the Act gives independent authority to state commissions regarding deployment of advanced telecommunications services. Section 706 states, in pertinent part, as follows:

> (a) In General. - The Commission and each State commission with regulatory jurisdiction over telecommunications service shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, in a manner consistent with the public interest, convenience, and necessity, price cap regulation, regulatory forbearance, measures that promote competition in the local market, or other regulating methods that remove barriers to infrastructure investment.[2]

The OCC respectfully requests the FCC recognize the states' independent authority in this area and afford them the opportunity to implement their own Quality of Service Standards and/or Codes of Conduct to govern spectrum management issues, in place of or in addition to rules which may already exist in many states. The OCC already monitors the quality of telephone service in Oklahoma; to wit, it regularly checks the lines for static, noise or interference. Additionally, the OCC monitors service quality reports for outages and other problems.

Furthermore, the OCC respectfully requests that state commissions be designated the arbitrator of disputes arising from both federal and state spectrum management standards and rules. As evidenced by its current role as arbitrator of disputes arising from

[1] 47 U.S.C. §§ 151, *et seq.*
[2] 47 U.S.C. § 706(a).

interconnection agreements, the OCC is both willing and able to arbitrate these types of disputes. In sum, the OCC, as the agency which regulates the telecommunications industry in Oklahoma, is the entity most informed about the realities of competition in the local exchange market in Oklahoma - both in the metropolitan and rural areas of the State.

B. LINE SHARING

1. Line Sharing Generally

The existing record clearly shows that both voice and advanced services are successfully being provided over a single shared line by Pacific Bell and Concentric Network, Inc.,[3] and that nothing has been placed "in the existing record to persuade [the FCC] that line sharing is not technically feasible."[4] Further, the Supreme Court decision *AT&T v. Iowa Utilities Board*[5] holds that the FCC has "jurisdiction to implement the local competition provisions of the Act and that our rulemaking authority extends to sections 251 and 252."[6] For these reasons, the OCC concludes that the technological feasibility of line sharing and the authority of the FCC to require such have been established. The remaining questions of interest are as follows: "Should line sharing be mandated?"; "What will be the impact on voice and data quality, if it is mandated?"; and finally, "What maintenance, pricing/cost, allocation/billing, and jurisdictional/regulatory problems must be overcome if line sharing is to be successfully implemented?"

In response to the first question above, the OCC is convinced that line sharing, if it is to be accomplished, must be mandated by the FCC. The OCC believes that the

[3] MachOne Reply Comments at 7, n.13.
[4] *See, e.g.,* Intel Jan. 21, 1999, *Ex Parte* at 1.
[5] *AT&T v. Iowa Utilities Board,* 119 S.Ct. 721 (1999).

evidence for such a conclusion is overwhelming. However, the Oklahoma Universal Service Fund ("OUSF") will not be available as the cost recovery vehicle in this particular situation. Instead, the costs resulting from a federal line sharing mandate should be recovered from, for example, the benefiting carrier over a five-year period. Listed below are five possible alternatives by which a prospective customer of an advanced telecommunications service may receive such a service.

In the first scenario, the advanced technology carrier is a CLEC who, in the absence of line sharing, opts to acquire from the incumbent LEC a second local loop in order to carry its services to a new customer. This second loop is in addition to the customer's voice line. The result is that the CLEC itself becomes a customer of the incumbent LEC. This situation increases the incumbent LEC's customer base, and therefore, its profits, by one customer, increases the cost of the advanced technology because of the need to provide the second local loop over which it is provided, and leaves both the CLEC and the customer bound to the incumbent LEC for successful provision of the advanced service.

In the second scenario, the advanced technology carrier is again a CLEC, but now the customer rather than the CLEC acquires a second local loop from the incumbent LEC. As in the first scenario, this second loop is in addition to the customer's voice line and is to be used by the CLEC to provide the prospective customer's advanced service. The result is identical to that in the first scenario. The incumbent LEC's customer base and profit increase by one customer, the cost of the advanced technology is increased, and both the CLEC and the customer are bound to the incumbent LEC for successful provision of the advanced service.

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[6] *Id.* at 726.

In the third scenario, the provider of the advanced service, a CLEC, builds its own facilities in order to serve it's prospective new customer. This increases the CLEC's cost to provide the service and, therefore, increases the price to the customer. However, in this case the CLEC and its customers are not captive to the incumbent LEC for successful conclusion of their business.

In the fourth scenario, the customer purchases the advanced service directly from the incumbent LEC, thereby eliminating the need for a second line in addition to the existing voice line. Because the incumbent LEC can offer the advanced service over the existing voice line, which it already owns, it can offer the customer a lower price than the CLEC. Unfortunately, in this scenario, because the incumbent LEC can offer a lower price, the CLEC is effectively prevented from competing in the advanced technology market.

In the fifth scenario, the incumbent LEC and CLEC share the existing voice loop and prorate the allocated costs and maintenance responsibilities associated with that loop. The result of sharing the existing local loop is that the customer can be offered competitive prices for the advanced service by both the CLEC and the incumbent LEC, and neither the CLEC nor the incumbent LEC is dependent on the other for the conduct of their respective businesses. This is the only scenario in which this result can be realized.

In three of the five scenarios (1,2 and 4), the incumbent LEC's profit is increased by acquisition of a customer and that customer is dependant, either directly or indirectly, upon the incumbent LEC for provision of the advanced service because without the redundant second line the service cannot be carried to the customer. In the first four

scenarios, the price for the advanced service is unnecessarily inflated because of the need to provide a second, and redundant, local loop to carry the advanced service. These four scenarios present an inefficient use of existing facilities and severe restriction of a CLEC's ability to enter this new market with a competitive price.

Only the fifth scenario, line sharing, allows the customer a real choice between incumbent LEC and CLEC providers by equalizing the price each can offer for the advanced service. Only the fifth scenario allows the CLEC to conduct its business without dependence upon the incumbent incumbent LEC for the second local loop. For these reasons, only in the fifth scenario can a competitive market for advanced services exist.

As the record shows,[7] however, the incumbent LEC is unlikely to embrace line sharing for two reasons. First, the probability that the incumbent LEC will either suffer lowered profit or fail to gain profit under the line sharing scenario is very high. Second, a variety of problems regarding cost allocation, pricing, billing, and maintenance of the shared line are thus far unresolved. It is the OCC's opinion, therefore, that the FCC must require incumbent LECs to provide requesting competitive carriers with access to available channels if line sharing is to be accomplished. Based on the record and the above discussion, the OCC concludes that failure to require line sharing will leave CLECs severely disadvantaged in the provision of advanced technologies.

At paragraph 100 of its Further NOPR, the FCC seeks comments regarding whether it "should more precisely define what constitutes the frequency above that used for analog voice service, so that it is clear to all parties what the incumbent LEC must unbundle," in the event line sharing is required. In light of the evidence that voice and

advanced technology are being successfully carried on a single line now and the FCC's "test and see" strategy for new technologies, in the OCC's opinion further definition, or lack thereof, is not likely to impede either innovation of new technologies or creation of new markets but would provide clarity in future unbundling efforts. Therefore, perhaps the additional definition of frequency and signal strength suggested in paragraph 100 more appropriately would be drafted by the proposed standards body.

The record cannot defend the incumbent LECs' claims that line sharing is not technically feasible and that line sharing results in damage to their networks. [8] Further, the record documents that incumbent LECs "are already sharing the line for the provision of both voice and advanced services." [9] The OCC concludes that circumstances in which advanced services cannot share a line with analog voice service for technical reasons can, in the overwhelming majority of cases, be remedied. However, in the event that an incumbent LEC can demonstrate to the state commission that line sharing causes deterioration of the voice signal on a line, and therefore that line sharing is not feasible on that particular line, the OCC believes that the incumbent LEC should not be obligated to share that line. However, the incumbent LEC must be held to a specific set of standards in demonstrating its case. In the OCC's opinion, the above mentioned standards body would be the logical drafter of these standards because it will encompass the necessary technical skill and experience to create standards that are equally fair to both incumbent LEC and CLEC. The OCC also believes that the state commissions should be allowed to draft more stringent standards if the need is demonstrated, as the states are in the best position to understand their own local telephony communities.

[8] First Report and Order and Notice of Proposed Rulemaking, Section c. Technical, Operational, Economic, Pricing, and Cost Allocation Issues Associated with Line Sharing at paragraphs 102–104.

For the reasons discussed above, the OCC believes that the technical effects of line sharing on existing analog voice and data services should be expected to be minimal. The OCC contends that at the present time, the incumbent LEC's primary obligation is to provide voice service at the highest quality that is reasonably possible, while providing access to new technologies as they arise and are requested by the public. The OCC believes that the FCC would be correct in requiring that any equipment in common use on a telephone network that might block or impede deployment of advanced services be replaced by equipment compatible with such new technologies in the normal course of business. The OCC suggests that the states will be in an optimal position to decide on the immediate removal of offending equipment on a case-by case basis if and when specific problems arise.

Similarly, the OCC believes that the FCC should require incumbent LECs to perform such types of line conditioning as removing bridge taps, cleaning up splices along the loop to prevent interference between high and low frequency channels over time as equipment must be replaced. Further, for the reasons stated above, the OCC suggests that immediate problems should be determined on a case-by-case basis by the states, when lack of replacement can be demonstrated to be an unfair impediment to competition and/or the deployment of new technologies. However, in the OCC's opinion, incumbent LECs should not be required to remove equipment (e.g., repeaters or load coils) needed to preserve the quality of the analog voice except in the normal course of business unless it can be demonstrated to the states' satisfaction that the public good demands such removal since these removals may detrimentally impact the voice quality of local service.

[9] MachOne Reply Comments at Exhibit B.

The OCC concurs with the FCC in its conclusion that a determination of technical feasibility does not include consideration of economic, accounting, billing, space or site, concerns. Engineering concerns such as network configuration/management and day-to-day office concerns such as billing, customer tracking, and accounting employ dramatically different skills and seldom overlap. By far the greatest challenge in implementing line sharing will be determining how use, maintenance, and costing/pricing of a shared line should be accomplished.

2. Operational Issues

If line sharing is mandated, and local loops treated as UNEs, the OCC has found nothing in the federal code or in the record in this proceeding to suggest that the voice channel is the exclusive property of the incumbent LEC in a competitive market. To the contrary, via Sections 251 and 252 of the Act, the FCC has made its goal of an open and competitive market clear. Likewise, provided the technology exists to support the operational aspects of a new service, the OCC sees nothing to preclude a CLEC, or an incumbent LEC, from requesting any portion of a local loop that is unused.

Modification of both the incumbent LEC's and CLEC's, and perhaps others', operations support systems (OSS) will be required to track use, equipment maintenance, and so on for use in cost allocation and billing of shared facilities. Because such tracking is being done in the examples mentioned above, the OCC must conclude that these modifications are possible and in, at least some instances, reasonable. There are entities who are uniquely familiar with both the software and hardware currently used by industry and the limitations and problems that might be encountered in implementing industry-wide standards, and who have successfully implemented past methodologies while

accomplishing certain endeavors. It is also the OCC's opinion that, because of the complexities to be addressed in providing for multiple carriers serving a single customer, it is the hope that different carriers should not be allowed to use the same physical loop. This may be an appropriate next phase, however. The OCC bases this conclusion on the number and complexity of problems encountered in reviewing the operational support systems associated with Section 271 unbundled network elements. Therefore, it seems unlikely that Oklahoma will be directly affected by the FCC's or an appointed board's decisions regarding multiple customers on a line served by multiple carriers.

The FCC has also requested comments regarding price consequences of line sharing. The most obvious potential consequence is surely the potential cost efficiency gained by line sharing. If successfully implemented, line sharing should allow fuller use of the available bandwidth in the local loop than exists today without unnecessary multiplication of local lines and the associated cost. The end result should be the spread of advanced technologies in the residential and small business markets. Unfortunately, the possibility exists that the full cost associated with a particular physical loop, including maintenance and repair, will be recovered in the price of voice service and then recovered a second time by the sale or lease of a portion of the line for advanced services.

All cost and responsibility for a local line could be imputed to the owner of the voice channel, regardless of whether that entity is a CLEC or an incumbent LEC. Cost and responsibility could be allocated to the owner of the voice line with the second carrier reimbursing some percentage of these costs. This percent might be prorated based on some measure of use or a static percent specified in the interconnection agreement. Because the CLEC is still at a disadvantage during the negotiation phase of

interconnection, it might be advisable for the FCC to develop a "template" for the portion of the interconnect agreement covering these issues with the states empowered to decide cases involving deviations from the "template." The advisory group entrusted with the Section 271 of the Act process may be an appropriate choice to draft such a "template" since the fundamental question is one of unbundling of a network element under Section 271.

If standards and rules for pricing, cost allocation and line maintenance are not clearly stated and carefully enforced the likely consequences might include higher than necessary prices for advanced services and therefore reduced consumer appeal of these services, competitive disadvantage for a new player in the advanced service market, multiple recovery of investment for the owners of existing local loops, and even degradation of existing local loops in cases where responsibility for upkeep is disputed. It is the OCC's belief that most of these pitfalls can be avoided through use of the "template" suggested above. The responsibilities of each party, therefore, could be defined by the FCC in advance of line sharing negotiations.

It is the OCC's opinion that advanced technologies will assume increasing importance in the residential and small business markets, and that the necessity for line sharing will correspondingly increase. A review of the consumer electronics marketplace is sufficiently convincing that as technology advances price decreases, and that as price comes down the consumer demands access to the services the technology makes possible (e.g., the growth of the internet and demand for related hardware and software with which to access it). If this conjecture proves correct, the need for mandated sharing of

the local loop and rules and standards under which the sharing can be accomplished will become a virtual necessity in the near future if a competitive market is to be achieved.

3. Effect on Competition

On the issue of line sharing, the OCC concurs with the FCC that line sharing will facilitate local competition and further promote the efficient and expedited deployment of advanced telecommunications technologies. Moreover, the OCC agrees that the absence of line sharing would create an impediment to local competition as it would require the installation of separate networks and facilities - an outcome that is both economically inefficient (even cost prohibitive) and wasteful. The requirement of line sharing is akin to the current requirements for resale and interconnection, which were designed mainly to avoid the need to create duplicative networks. Provided fair compensation is awarded to the incumbent LECs, in a similar manner as provided for in the current interconnection rules, line sharing can be beneficial to both incumbent LECs and CLECs. There is also the possibility of placing the loop in a special category or even under some separate management to accomplish the desired goal of line sharing.

The Act laid the groundwork for facilitating local competition, but additional points remain - some of which were simply the outcome of recent technological innovations over the last few years. First, a clear, and perhaps expanded, definition of Unbundled Network Elements (UNE's) is essential. Second, limited provisions for sub-looping unbundling are needed. Third, and finally, flexibility in embracing alternative technologies as far setting standards or guidelines for line conditioning, interference reduction, frequency definition, channel division, methods of transmission, etc.

Concerning economic, pricing and cost issues which may arise from line sharing, the OCC offers the following brief comments. Line sharing no doubt will have an impact on federal and state access charges, jurisdictional separations and regulated and non-regulated allocations. Such impact mainly will be allocated among the various carriers, though, and not necessarily among end-users as costs. Therefore, all cost allocation processes must be re-apportioned accordingly.

Pricing no doubt will be affected as well. Customer confusion may arise, as customers are billed by various providers for distinct services. Customer education, therefore, will be necessary.

Moreover, the price of unbundled local loops may or may not increase depending on the effect on incremental cost, which will stem partly from the possible need for line-conditioning, interference reduction, etc. Imputation of the local loop must be whole; however, the allocation to voice or data or both will depend on factors yet to be determined such as frequency and extent of line sharing. Line sharing also raises many cost allocation issues relating to wholesale pricing, imputation, billing, etc.

Line sharing, provided it is conducted in competitively neutral manner, will enhance the CLECs ability to compete. In fact, line sharing should stimulate innovation, as both parties attempt to come up with new ideas that are less burdensome, less expensive, and less co-dependent. In sum, line sharing may have a neutral or possibly favorable effect on investment in local exchange facilities, as both parties attempt to come up with new ideas that are less burdensome, less expensive, and less co-dependent.

4. State Commission Authority

As previously stated, Section 706 of the Act gives independent authority to state commissions regarding deployment of advanced telecommunications services. The OCC respectfully requests the FCC recognize the states' independent authority in this area and afford them the opportunity to implement their own Quality of Service Standards and/or Codes of Conduct to govern line sharing issues. The OCC already monitors the quality of telephone service in Oklahoma; to wit, it employs several people who regularly check the lines for static, noise or interference.

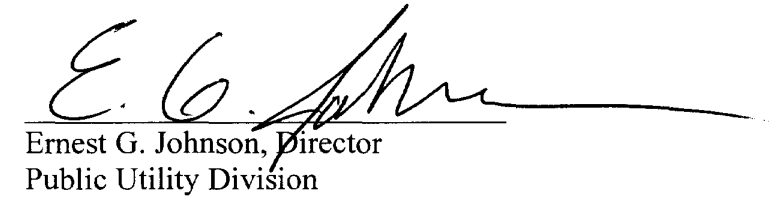
Again, the OCC, as the agency which regulates the telecommunications industry in Oklahoma, is the entity most informed about the realities of competition in the local exchange market in Oklahoma - both in the metropolitan and rural areas of the State. Moreover, it is the OCC that is most familiar with the types of equipment, technologies, and services currently utilized and/or available throughout the State of Oklahoma. Finally, it the OCC that is best positioned to make determinations about the actual cost of service associated with the deployment of advanced wireline technologies in Oklahoma.

III. CONCLUSION

One of the fundamental goals of the Act is to promote innovation in order to stimulate competition for all services. The widespread availability of advanced telecommunications services is essential to realizing that goal. The OCC supports the FCC's attempts in this Further NPRM to further facilitate the competitive deployment of advanced services. Accordingly, the OCC respectfully submits these comments for the FCC's consideration in this proceeding.

Respectfully submitted,

THE OKLAHOMA CORPORATION COMMISSION

By: 

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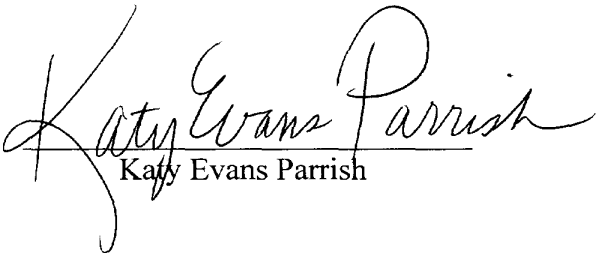
CERTIFICATE OF SERVICE

A Certificate of Service will be filed under separate cover.

Dated at Oklahoma City, Oklahoma this 14th day of June, 1999.



Katy Evans Parrish